Sri R. SURYANARAYANA RAO :—" Are there any cases of the grant of loans similar to the one that has been given by the Government without reference to any statutory authority? "

The Hon. Sri M. BHAKTAVATSALAM :—" Even out of the Port Fund, we have granted loans to certain other funds, but I would like to have notice for particulars in this behalf."

Sri R. SURYANARAYANA RAO :—" Would it not have been better in public interests if the application received from this company had been published and objections if any invited and then to give the loan? "

The Hon. Sri M. BHAKTAVATSALAM :—" The Government did not consider that public interests would have in any way suffered by adopting the procedure they have followed."

Janab ABDUL LATIF FAROOKHI :—" Would it not have been better to publish such applications before granting the loan? "

The Hon. Sri M. BHAKTAVATSALAM :—" This was a special case and the Government did not consider it necessary to publish applications."

Sri R. SURYANARAYANA RAO :—" Is this a public or a private company, Sir? "

The Hon. Sri M. BHAKTAVATSALAM :—" It is a public company."

Subsidy for new wells in the West Godavari district.

* 4 *Q.*—M. NARAYANA RAO :—Will the Hon. the Minister for Land Revenue be pleased to state—

(*a*) the amount of subsidy to be given for digging new wells under the Grow More Food Campaign in the West Godavari district in the year 1949–50;

(*b*) whether it is a fact that rich and influential ryots are given subsidies and the poor and needy ryot is neglected; and

(*c*) whether there is any principle in the matter of distribution?

The Hon. Sri H. SITARAMA REDDI :—" (*a*) A sum of Rs. 1,75,000 has been allotted to the West Godavari district for payment of well subsidy loans during 1949–50.

" (*b*) The Government have no reason to think that the position is as stated by the hon. Member.

" (*c*) The following are the main considerations which the grant of subsidies under the New Wells Subsidy Scheme 1949–50 :—

(1) As the amount of subsidy is advanced as a loan under the Land Improvement Loans Act in the first instance, only such ryots as can furnish sufficient security for the loan will be granted the subsidy.

(2) Preference will be given to applications for sinking wells in wet lands. Two-thirds of the amounts earmarked for

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payment of subsidy loans is allotted for wells in wet lands. The Board of Revenue has however been authorized to vary this proportion, if it is necessary to do so, in predominantly dry districts.

(3) The maximum number of wells in any one village for which subsidies will be granted under the scheme to any individual is 5. There is however no limit so far as co-operative societies and companies are concerned.

(4) Before the subsidy is advanced the site of the work should be inspected and approved by the Local Revenue Official so that he may satisfy himself that the work when completed will result in substantially more food being grown."

SRI M. NARAYANA RAO :—" May I know the number of applications received and how many out of them have been granted subsidies? "

THE HON. SRI H. SITARAMA REDDI :—" I do not have that information with me, Sir."

SRI M. NARAYANA RAO :—" Has there been any undue delay in the disposal of applications for subsidies? "

THE HON. SRI H. SITARAMA REDDI :—" So far I have had no complaints in this regard, but if my hon. Friend has got any complaint, I would suggest that he may tell me and I will try to correct it."

SRI M. NARAYANA RAO :—" May I know whether it is the policy of the Government to give preference to cultivating peasants over absentee landlords in the matter of the grant of subsidies? "

THE HON. SRI H. SITARAMA REDDI :—" The whole object of the scheme Sir, is to help in the growing of more food and if that object is achieved, loans will be granted."

JANAB ABDUL LATIF FAROOKHI :—" Is it not a fact that there has been misuse of these loans in many cases? "

THE HON. SRI H. SITARAMA REDDI :—" I do not believe that there was a misuse of the loan in many cases. It is quite possible that there are a few cases in which the money has been misused; and Government have ordered to see that there is strict supervision over the distribution of these moneys and also the execution of works."

JANAB ABDUL LATIF FAROOKHI :—" May I know whether any recovery has been made? " 11.15 a m

THE HON. SRI H. SITARAMA REDDI :—" There are a few cases in which recovery has been made."

JANAB ABDUL LATIF FAROOKHI :—" Is it a fact that more than fifty per cent of the wells for which subsidies have been given have not been dug at all? "

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THE HON. SRI H. SITARAMA REDDI :—" It is not possible to say like that, because there are a number of schemes. There is what is called, the accelerated scheme, there is the original scheme, there is the 1948–49 scheme, and there is the 1949–50 scheme. In the old scheme several wells have been completed; and in cases, in that scheme, where there has been no completion of the wells, recovery of moneys advanced has been ordered, and recovery is going on. So far as the later schemes are concerned it is quite probable that in some cases wells have not been completed, while some of them have not been taken up for execution."

SRI M. NARAYANA RAO :—" Is it a fact that the Government are going to discontinue the well subsidy scheme? "

THE HON. SRI H. SITARAMA REDDI :—" This question arose during question time in the Assembly, and there I said what the intention of the Government of India is in the matter. After that I have had occasion to know the view of the Government of India through Mr. S. K. Patil, the Food Commissioner. We have been told that as there have been large abuses of this subsidy in several provinces they are going to stop this well-sinking subsidy. But their idea, if possible, is not to grant in the form of cash but by way of indirect help, like, land revenue remission, giving of materials necessary for sinking of wells at subsidised rates and such other concessions. And we have represented to the Government of India that in Madras cases of abuse of these subsidies have not been so numerous as in other provinces. So the Government of India have now said that they are agreeable to consider the case of Madras for the continuance of the scheme, and so it will be examined by them."

JANAB ABDUL LATIF FAROOKHI :—" While the well subsidy scheme has not been very much successful, will Government consider the advisability of having the wells sunk by their own departmental men, taking some money from the ryots instead of giving the money? "

THE HON. SRI H. SITARAMA REDDI :—" Sir, as I have said in the other House, it is a question of opinion. I find, as I said in the other House there is a large volume of opinion in favour of the continuance of the well subsidy scheme, and the scheme was very much appreciated. Of course there was one voice differing from that view there, as I see here also the hon. Member saying it has not been a success. But Government feel that the scheme has been successful. The suggestion of the hon. Member is not feasible. I do not think people will come forward to give an advance. Further Government are not prepared to invite upon themselves the responsibility of fulfilling the work in view of the work of Grow More Food Scheme and repair of tanks they have already undertaken."

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MR. PRESIDENT :—" May I know what is the exact position today in the matter? Are you paying the subsides or stopped them pending the correspondence with the Government of India?"

THE HON. SRI H. SITARAMA REDDI :—" We have already instructed the Collectors of districts, on the basis of the letter of the Government of India, to stop distribution of loans. But, as I have already said, we have had discussions with the Government of India representative a few days back on the question, and he has said that the question will be re-examined."

SRI M. NARAYANA RAO :—" May I draw the attention of the Hon. Minister to the statement of the Food Commissioner to the Government of India reported in today's papers that the old system would continue?"

THE HON. SRI H. SITARAMA REDDI :—" I have also seen it in the newspaper; but I have not had direct information."

Rates of dearness allowance granted to Government servants.

* 5 *Q*.—SRI R. SURYANARAYANA RAO : Will the Hon. the Minister for Finance be pleased to state—

(*a*) what the rates of dearness allowance granted to various classes of Government servants are;

(*b*) whether the rates are based on any data such as the cost of living index;

(*c*) whether the Government servants are in receipt of any other allowances besides dearness allowance and if so, what they are and what the rates of such allowances are;

(*d*) whether the servants of local bodies and municipalities are also entitled to similar allowances;

(*e*) whether the Government have received representations requesting for higher rates of dearness allowance; and

(*f*) how the Government have dealt with these representations?

THE HON. SRI B. GOPALA REDDI :—" (*a*) A copy [a] of the consolidated order showing the rates of dearness allowance admissible to Provincial Government servants is placed on the table.

" (*b*) The rates of dearness allowance are fixed by the Government taking into consideration the increase in the cost of living and the ability of the Government to meet the expenditure on the payment of the allowance.

" (*c*) House-rent allowance is allowed in addition to dearness allowance to Government servants on pay not exceeding

[a] Printed as Appendix II on pages 278—280 infra